

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

2HD1775
W6W5



WISCONSIN *Farm Reporter*

- Dairy
- Crops
- Livestock

Vol. XIII, No. 17
Free Subscription

December 2, 1981

WISCONSIN FARM HIGHLIGHTS

- Dairying generated \$2.8 billion in farm income in 1980
- Spotlight — Fond du Lac County
- Milk-feed ratio on the upswing
- Wisconsin prices received index up slightly

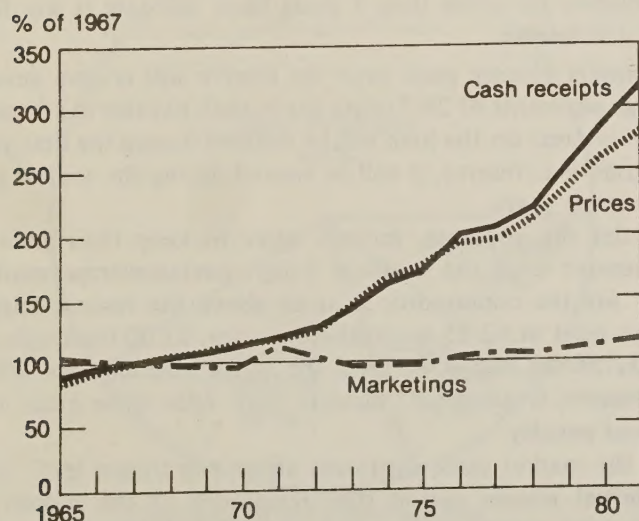
DAIRY UPDATE

Dairying — Wisconsin's Big Cash Generator

Dairying remained the pillar of the state's agriculture during 1980. Dairying supplied 59 percent of the state's agricultural income of over \$4.7 billion. Wisconsin led the nation in 1980 with nearly \$2.8 billion in cash receipts from dairy products. Based on cash receipts, the top ten dairy counties are as follows: Marathon, Dane, Clark, Dodge, Grant, Fond du Lac, Green, Chippewa, Outagamie, and Shawano.

Dairy products contributed \$130.8 million to Marathon County's agricultural economy during 1980. The total represents 77 percent of the county's cash receipts from farm commodities marketed in 1980. The second leading dairy county was Dane with 1980 dairy product sales of \$104.7

Milk Marketings, Prices, and Cash Receipts



million. The total represents 49 percent of the county's agricultural cash receipts.

Cash receipts from dairying accounted for at least 75 percent of total agricultural cash receipts in the following counties in 1980: Clark, Rusk, Marathon, Chippewa, Kewaunee, Shawano, and Ashland. Dairying was least significant in Vilas County, which revolves around recreation and tourism, where cash receipts only totaled \$138,000, which represented 4 percent of the county's cash receipts from farming.

WISCONSIN'S TOP 10 DAIRY COUNTIES *



*Based on 1980 cash receipts

Dairy Cold Storage Stocks at High Levels

Cold storage stocks of cheese were up 15 percent and stocks of butter were up 54 percent in the U.S. at the end of October. Cheese stocks in storage at the end of October totaled 677.7 million pounds, 15 percent higher than the 590.9 million pounds in storage on the same date a year ago. The government had 224 million pounds of American cheese in cold storage on October 31, compared with 74.9 million

pounds a year earlier. The difference, 149.2 million pounds, represents a 199 percent increase. There were 463.6 million pounds of butter in storage on October 31, which is an increase of 162.1 million pounds from the same date in 1980. Government butter stocks totaled 414.7 million pounds, 66 percent more than a year ago.

Cold Storage Stocks of Butter and Cheese

Commodity	Oct. 31, 1979	Oct. 31, 1980	Oct. 31, 1981	Change from last year
1,000 pounds				Percent
UNITED STATES				
Butter	200,481	301,506	463,607	+ 54
Cheese, American	436,436	484,401	586,885	+ 21
Cheese, Swiss	13,892	11,794	10,850	- 8
Cheese, all other	86,129	94,727	79,947	- 16
Cheese, total	536,457	590,922	677,682	+ 15
WISCONSIN				
Butter	20,911	32,677	49,883	+ 53
Cheese, American	235,450	208,087	195,204	- 6
GOVERNMENT STOCKS*				
Butter	156,527	249,149	414,712	+ 66
Cheese, American	1,244	74,853	224,036	+ 199

*Included in above totals.

Dairy Highlights

Commercial disappearance of milk and dairy products for the first 8 months was about even with a year earlier. Relatively small retail price gains this fall should increase dis-

appearance. However, the slow economy may hold the rise in use to about 1 percent.

September 1 commercial holdings of dairy products were equivalent to 5.8 billion pounds of milk, about 5 percent below a year earlier. Anticipated large milk production in August-October and high interest rates this year prevented the commercial stock buildup that normally occurs during February-July. Meanwhile, government holdings of dairy products doubled to reach 14.7 billion pounds. Net purchases of dairy products by the Commodity Credit Corporation during the October-September milk marketing year rose 55 percent over 1979/80 - equivalent to 12.7 billion pounds of milk.

Update - 1981 Feed Grain Program

The 1981 target prices are: corn, \$2.40 per bushel; sorghum, \$2.55; and barley, \$2.60. The national loan rate for corn is \$2.40 per bushel; sorghum, \$2.28; barley, \$1.95; and oats, \$1.24. Because the target price for corn is the same as the national loan rate, there can be no deficiency payment. However, deficiency payments are anticipated for sorghum and barley. The reserve loan rates for feed grains are \$2.55, \$2.42, \$2.07, and \$1.31 per bushel for corn, sorghum, barley, and oats, respectively. The interest rate for commodity loans is 14.5 percent, subject to review during October. The 14.5 percent rate has been in effect since April 1, when USDA announced it was instituting a "floating" interest rate, subject to adjustment on October 1 and April 1.

On October 6, Secretary of Agriculture John R. Block announced that farmers could immediately enter their 1981 corn, sorghum, and barley crops into the farmer-owned grain reserve. Farmers with 1980 crop corn, sorghum, and barley currently under a regular CCC price support loan also may enter their grain into the reserve. However, 1980 crop corn and sorghum previously called from the reserve are not eligible for reentry, and neither year's crop of oats may be entered at this time. Old crop barley now in the reserve may be transferred to the new reserve. Grain may not be held in the reserve for more than 5 years from the date it was first placed in reserve.

Farmers placing grain into the reserve will receive annual storage payments of 26.5 cents per bushel, payable in advance. While interest on the loan will be charged during the first year the grain is in reserve, it will be waived during the second and subsequent years.

Under this program, farmers agree to keep their grain in the reserve until the national 5-day moving-average market price for the commodity is at or above the reserve trigger release level of \$3.15 per bushel for corn, \$3.00 for sorghum, and \$2.55 for barley, or until the 3-year loan matures. When the reserve is triggered, farmers may take their grain out without penalty.

If the market price continues above the trigger level after the initial release period (the remainder of the month in which the reserve is triggered plus one additional month), farmers will stop earning storage payments. Interest charges, if previously stopped, will resume.

FARMERS' 900 NEWSLINE

Call the FARMERS' - 900 - NEWSLINE for the latest U.S. and world crop, livestock, export, and economic news from USDA. A 60-second summary is available to you 7 days a week, 24 hours a day. Your cost is 50 cents per call. The news items and special features are updated at 4 p.m., Washington, D.C. time. The FARMERS' - 900 - NEWSLINE keeps you on top of the latest agricultural estimates and analyses from USDA.

900 - 976 - 0404

FARMERS' NEWSLINE HIGHLIGHTS

December

- | | |
|---|----------------------------|
| 2 Agricultural Outlook | 16 Potato Stocks |
| 3 Dairy Situation | 17 World Agricultural |
| 9 Tobacco Situation | Situation |
| 10 U.S. Crop Prospects | 18-20 Agricultural Finance |
| 11-13 World Supply/
Demand Situation | 21 Farm News Special |
| 14 Milk Production | 23-27 Farm News Special |
| | 31 Farmers' Prices |

- PUBLISHED SEMI-MONTHLY -

Statisticians

Carrol D. Spencer, *In Charge*

Jim Davies, *Assistant in Charge*

Ed Lippert

Laverne E. Krahn

John S. Rowe

Ronald F. Kriesel

Editor

Jeff Kratz

This publication is free upon request to the Wisconsin Agriculture Reporting Service, Box 9160, Madison, Wisconsin 53715.

SPOTLIGHT — FOND DU LAC COUNTY

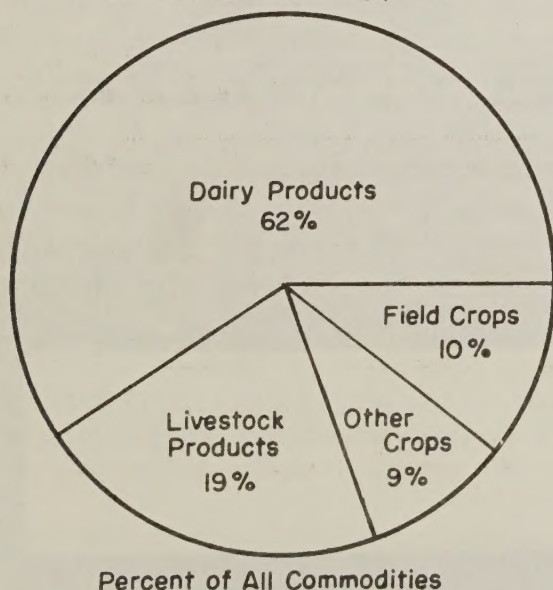
(Editor's Note: From time to time we will be spotlighting various Wisconsin counties, highlighting the types of agricultural production in each.)

Fond du Lac is one of the state's major agricultural counties, ranking 6th in total cash receipts from farm marketings in 1980. Total 1980 cash receipts for the county were \$128.9 million, up 7 percent from 1979. Fond du Lac County derived 81 percent of its agricultural income from the sale of livestock and livestock products. Dairying accounted for 62 percent of 1980 cash receipts. With 50,500 milk cows, Fond du Lac ranks 18th nationally in milk cow numbers. Marketings of meat animals contributed 16 percent to Fond du Lac's 1980 cash receipts. Cattle and calves were responsible for 10 percent of all cash receipts while hogs and pigs contributed 6 percent. Eggs added 1 percent to the county's farm income while mink and miscellaneous livestock contributed 2 percent.

Fond du Lac County is one of the state's leading cheese-producing counties, producing 88.6 million pounds in 1980. Only two counties, Wood and Clark, produced more cheese during the year. Fond du Lac is one of the state leaders in the production of Italian cheese with a 1980 output of 34.9 million pounds.

Fond du Lac's well-diversified agriculture brought in \$24 million in crops in 1980. The county was the state leader in income from peas and sweet corn in 1980. Peas and sweet corn each contributed 3 percent of the county's 1980 agricultural receipts. Other vegetables added an additional 2 percent. Field crops provided almost 10 percent of the farm income, with corn accounting for 8 percent. Specialty crops, such as greenhouse products, forest products, and apples, contributed \$1.6 million to Fond du Lac's farm income in 1980.

CASH RECEIPTS
Fond du Lac County, 1980



Farm Income Update

High interest rates, large supplies of meat and grains, the strong dollar, and weak consumer demand have limited the

advance of farm cash receipts this year. Total cash receipts in 1981 are expected to be 4 to 6 percent above 1980. Receipts may rise 2 to 4 percent for livestock and 6 to 8 percent for crops. At the same time, farm production expenses will likely increase 8 to 10 percent in 1981, with interest and energy-based inputs rising the most.

With increases in production expenses outstripping gains in cash receipts, farmers' net cash income will probably fall below last year's level. Net income before inventory adjustment is now projected at \$17 to \$21 billion, compared with \$21.9 billion in 1980. However, with this year's larger crops, net farm income after inventory adjustment is forecast at \$20 to \$24 billion — a slight improvement over last year's \$19.9 billion.

FARM PRICES

U.S. Prices Received Index Down in November

The November index of prices received by farmers decreased 1 point from October to 236 percent of its January-December 1967 average. Contributing to the lower index were lower prices received for milk cows, beef cattle, steers and heifers, slaughter cows, hogs, lambs, corn, soybeans, and alfalfa hay. Partially offsetting were higher prices received for calves, turkeys, eggs, milk, wheat, oats, barley, and other hay.

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates for November was 306 percent of the 1967 base, equal to the October index, but 15 points higher than the November 1980 index.

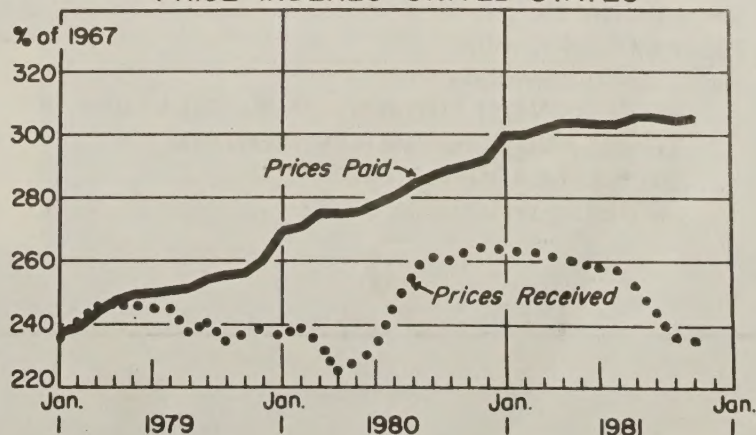
Wisconsin Prices Received Index Up Slightly

The November index of prices received by Wisconsin farmers was 284 percent of the 1967 base, up 1 point from the October index, but down 5 points from the November 1980 index. The November index of prices paid by farmers was 318 percent of the 1967 base, equal to last month's index and 25 points higher than the November 1980 index.

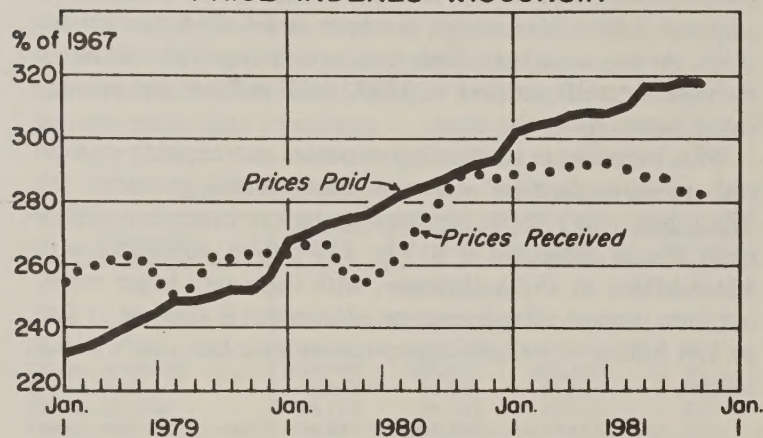
Milk-Feed Ratio Increases

Wisconsin's milk-feed ratio (pounds of concentrate ration equal in value to 1 pound of whole milk) averaged 1.47 for November 1981, up 3 points from the October ratio of 1.44. Higher milk prices and a decline in prices paid for concentrates contributed to the increase.

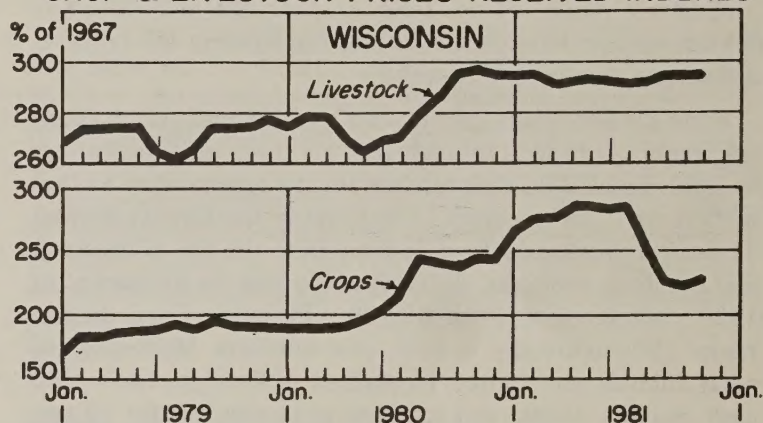
PRICE INDEXES-UNITED STATES



PRICE INDEXES-WISCONSIN



CROP & LIVESTOCK PRICES RECEIVED INDEXES



Commodity	Unit	Wisconsin			United States		
		Month of Nov. 1980	October 15, 1981	November 15, 1981	Month of Nov. 1980	Month of Oct. 1981	November 15, 1981
		Dollars			Dollars		
PRICES RECEIVED:							
Milk cows	Head	1,200.00	1,140.00	1,110.00	1,230.00	1,190.00	1,180.00
Steers and heifers	Cwt.	58.60	56.50 2/	54.30	65.90	60.00	58.60
Slaughter cows	Cwt.	44.60	39.90 2/	38.80	43.10	38.50	37.10
Calves 1/	Cwt.	92.00	107.00 2/	95.10	72.10	59.40	59.50
Hogs	Cwt.	44.90	44.00 2/	41.40	45.60	45.00	42.20
Sheep	Cwt.	14.50	17.00	15.00	19.90	19.60	17.70
Lambs	Cwt.	58.00	51.00	47.00	59.90	50.60	46.20
Turkeys	Lb.	.500	.320	.310	.501	.333	.356
Eggs	Doz.	.562	.490	.610	.658	.638	.695
Milk, all 2/	Cwt.	13.63	13.57	13.70	14.00	14.00	14.10
Wheat	Bu.	4.38	3.52	3.70	4.32	3.77	3.80
Corn	Bu.	2.98	2.33 2/	2.30	3.10	2.45	2.33
Oats	Bu.	1.58	1.64 2/	1.87	1.84	1.78	1.91
Barley	Bu.	2.85	2.27	2.16	2.90	2.38	2.41
Soybeans	Bu.	8.30	5.75	5.80	8.18	6.06	6.00
Alfalfa hay, baled	Ton	42.00	65.00	65.00	79.40	68.40	67.70
Other hay, baled	Ton	31.00	48.00	50.00	63.50	55.10	56.20
Index 3/ (1967=100)	Pct.	289	283	284	264	237	236
(1977=100) 5/	Pct.	158	155	155	144	130	129
PRICES PAID:							
Soybean meal, 44% protein	Cwt.	16.00	12.60	12.20	16.50	14.00	13.90
Cornmeal	Cwt.	6.00	5.90	5.80	7.98	7.76	7.69
Dairy feed, 16% protein	Ton	205.00	188.00	187.00	200.00	183.00	179.00
Index 4/ (1967=100)	Pct.	293	318	318	291	306	306
(1977=100) 5/	Pct.	141	149	149	144	151	151

1/Includes slaughter "bobs," replacements, and special feds. 2/Average for the month. 3/Index numbers prices received by farmers, unadjusted, all farm products. 4/Index numbers prices paid by farmers for commodities and services, interest, taxes, and wage rates. 5/A change to 1977=100 base period was made beginning with June 1981. The 1967=100 base period will continue to be published through June 1982.

WISCONSIN FARM REPORTER (USPS 398-970)

November 1981

Vol. XIII, No. 15

Published Semi-Monthly

Send Address Correction To:

WISCONSIN DEPARTMENT OF AGRICULTURE,
TRADE AND CONSUMER PROTECTION
801 WEST BADGER ROAD
MADISON, WISCONSIN 53713

SECOND CLASS POSTAGE PAID
AT MADISON, WISCONSIN

971 55 000104363-0 -
NAT'L AGRICULTURAL LIB -RLSE
TIS/SEA/USDA
CURRENT SERIAL RECORDS -
BELTSVILLE MD 20705